

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00

EB-07 INR-07 NSAE-00 CIEP-01 FAA-00 LAB-04 SIL-01

PA-01 PRS-01 USIA-06 /040 W
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R 060615Z AUG 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6052

INFO AMEMBASSY

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA

C O N F I D E N T I A L JAKARTA 10322

EO 11652: GDS

TAGS: ECON EAIR ELAB ID

SUBJECT: GARUDA PILOTS' SLOWDOWN

REF: JAKARTA 10153

1. GARUDA INDONESIA AIRWAYS PILOTS HAVE REPORTEDLY BEEN QUIETLY STAGING SPORADIC WORK ACTIONS THROUGHOUT THE COUNTRY DURING PAST SEVERAL DAYS. BEGINNING AROUND 1 AUGUST, THERE HAVE APPARENTLY BEEN A HANDFUL OF INSTANCES IN WHICH SCHEDULED FLIGHTS HAVE BEEN TICKETED AND BOARDED ONLY TO HAVE THE PILOT FAIL TO SHOW, USUALLY CLAIMING ILLNESS. SO FAR, WORK ACTIONS HAVE BEEN LIMITED TO DOMESTIC FLIGHTS. THE GOI PROHIBITS STRIKING.

2. THE GOI, SENSITIVE TO PRE-ELECTION DISTURBANCES, HAS SUCCESSFULLY KEPT THE SLOWDOWN HUSHED UP. ONLY EVIDENCE APPEAR IN PRESS WAS SMALL ARTICLE PRINTED 3 AUGUST IN SEVERAL INDONESIAN LANGUAGE PAPERS AND ENGLISH LANGUAGE VERSION OF ARMED FORCES NEWS SERVICE. THE ARTICLE
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REPORTED THAT A SCHEDULED FLIGHT FROM SURABAYA TO

JOGJAKARTA HAD BEEN CANCELLED WHEN PILOT FAILED TO SHOW, MUCH TO THE CHAGRIN OF TEAM OF DPR (HOUSE OF REPRESENTATIVE) MEMBERS WHO HAD BEEN WAITING ON BOARD FOR OVER TWO HOURS. THE PARLIAMENTARIANS APPARENTLY COMPLAINED OF CANCELLATION TO PRESS.

3. THE IMMEDIATE CAUSE OF WORK SLOWDOWN IS APPARENTLY GARUDA'S MANAGEMENT'S FAILURE TO ACT ON LONG-STANDING COMPLAINT AMONG PILOTS OF SUBSTANTIAL PAY DIFFERENTIAL BETWEEN INDONESIAN NATIONAL DC-8 AND DC-9 PILOTS AND FIVE AMERICAN EXPATRIATE PILOTS ALSO EMPLOYED BY GARUDA. THE INDONESIANS EARN APPROXIMATELY \$725 A MONTH (PLUS FREE HOUSING, FLIGHT MONEY, PER DIEM, AND RETIREMENT ALLOWANCES) WHILE THE FEW EXPATS ARE CLAIMED TO EARN PERHAPS 4-5 TIMES THAT AMOUNT. SOME INDONESIAN PILOTS POINT OUT TOO THAT THEIR OWN PAY SCHEDULES ARE ALSO MARKEDLY LOWER THAN THOSE OF OTHER PILOTS ON INTERNATIONAL AIRLINES OPERATING INTO INDONESIA, SUCH AS JAL. THE NATIONAL PILOTS HAVE BROUGHT THIS GRIEVANCE BEFORE MANAGEMENT BEFORE, BUT TO NO AVAIL.

4. CONCURRENTLY, PILOTS ARE ALSO EMBROILED OVER RECENT SUSPENSION FOR INTERROGATION ON SMUGGLING CHARGES OF 27 PILOTS AND 4 GROUND CREWMEMBERS IN WAKE OF DISCOVERY OF AN ALLEGED GOLD SMUGGLING RING INVOLVING GARUDA PILOTS. AS REPORTED REFTEL, THREE PILOTS AND A LOCAL CHINESE BUSINESSMAN WERE ARRESTED ON 27 JULY SHORTLY AFTER DISCOVERY OF 48 KILOGRAMS OF GOLD BARS HIDDEN IN TWO SUITCASES CARRIED BY ONE OF THE PILOTS AFTER HE DEPLANED FROM HIS DC-9 AT JAKARTA'S KEMAYORAN AIRPORT.

5. SMUGGLING OF GOLD AND JEWELRY IS PURPORTEDLY FAIRLY ROUTINE AMONG GARUDA PILOTS ESPECIALLY ON RUNS FROM BANGKOK AND SINGAPORE. CUSTOMS ENFORCEMENT IS LAX. IN CASE OF GOLD, GOI PERMITS IMPORTATION, BUT BY SMUGGLING DEALERS CAN AVOID INDONESIAN TAXES AND OTHER PAYMENTS THAT ACCOUNT FOR 15-20 PERCENT PRICE DIFFERENTIAL BETWEEN JAKARTA AND OTHER ASIAN MARKETS.

6. CONTEMPORARY WITH THE GOLD SMUGGLING INVESTIGATION, CONFIDENTIAL

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INDONESIAN PILOTS REPORTEDLY MADE ANOTHER REQUEST TO GARUDA TO DISCUSS PAY INEQUITIES AND IN ADDITION, DEMANDED THAT THE CHARGES AGAINST THE ACCUSED PILOTS BE DROPPED. THE END OF JULY WAS GIVEN AS THE DEADLINE FOR MANAGEMENT TO RESPOND; APPARENTLY THEY DID NOT SATISFACTORILY DO SO, AND THE SLOWDOWN BEGAN.

7. MANY PILOTS ARE CAUGHT IN CATCH-22 SITUATION

OVER CRACKDOWN ON SMUGGLING AND
WORK SLOWDOWN ESPECIALLY IF THE SLOWDOWN
IS EXTENDED TO INTERNATIONAL SLIGHTS. PILOTS ARE
GENERALLY REPAID FOR ALL OR PART OF VALUE OF A
SMUGGLED SHIPMENT. FAILURE TO DELIVER GOODS RUNS A
HIGH RISK OF RECRIMINATION FROM PILOTS' SPONSORS.
NOT ONLY CAN'T DETAINED PILOTS COMPLETE DELIVERIES,
BUT WORK SLOWDOWN ITSELF, IN PART PROTECTING GOI'S
INVESTIGATION, JEOPARDIZES SHIPMENTS SCHEDULED OR IN
TRAIN.
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